

# **Exhibit D**



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Tuesday, July 29, 2014

## **Specially Designated Global Terrorist Al-Haramain Islamic Foundation, Inc. Pleads Guilty to Tax Fraud**

### ***Conviction Relates to Distribution of \$150,000 for Chechnya***

EUGENE, Ore. - Amanda Marshall, United States Attorney for the District of Oregon, announced that on July 29, 2014, the Al-Haramain Islamic Foundation (AHIF), Inc., a tax exempt charity registered in Oregon, pleaded guilty in U.S. District Court in Eugene, Oregon to one count of filing a false tax return with the Internal Revenue Service.

The conviction relates to a \$150,000 donation AHIF's parent organization in Saudi Arabia received in 2000, intended to be sent to Chechnya. The \$150,000 was wire transferred by the donor from an overseas bank account into an AHIF-US bank account in Ashland, Oregon. An employee of AHIF flew from Saudi Arabia to Oregon and, together with the head of AHIF-US, they withdrew the \$150,000, and the funds were transported to Saudi Arabia.

Under U.S. law, tax exempt charities must file a return with the Internal Revenue Service, known as a Form 990, reporting the receipt and distribution of all its donations. An accountant in Medford, Oregon was retained by AHIF-US to prepare the Form 990. This accountant was not told by AHIF that the \$150,000 was sent overseas. Instead, AHIF-US representatives informed the accountant that most of the funds were used as part of the purchase price for a building in Missouri, and that a portion of the funds were refunded to the donor. This information was false.

Relying on the information provided to him by AHIF representatives, the accountant prepared a Form 990, which falsely reported how the \$150,000 was distributed, and made no mention that the funds were sent overseas. A representative of AHIF-US signed the return and it was filed with the IRS.

In its guilty plea today, AHIF, acting through its attorney, acknowledged that it filed the Form 990 with the IRS, knowing it was false as to a material manner.

Prior to entering the plea agreement, AHIF paid the IRS \$121,275.00 to satisfy all taxes, penalties and interest due as a result of the false return. At sentencing, AHIF was placed on probation for three years. During that time, AHIF agreed that it will make no attempt to resume operations as a tax exempt charity in the United States.

In return, the United States agreed to dismiss criminal charges pending against Pirouz Sedaghaty (Pete Seda), the former head of AHIF in the United States. A third defendant, Soliman Al-But'he, remains under indictment. An arrest warrant is outstanding for Al-But'he and he is a fugitive.

"This conviction sends an important message to charities such as Al-Haramain that they need to carefully scrutinize donations to ensure they are used for proper purposes," said US Attorney Amanda Marshall. "When they fail, and lie to the Internal Revenue Service about where charitable funds are sent, there will be consequences."

"We have a duty to protect the sanctity of our nation's charitable donations", said Special Agent in Charge Kenneth Hines of IRS Criminal Investigation. "When an organization misrepresents the cause and destination of pledged funds, IRS Criminal Investigation, together with our partners at the FBI and Homeland Security Investigations, will be there to bring it to justice. We will not tolerate any organization that exploits its' exempt status."

This case was investigated by the IRS, the FBI and Homeland Security Investigations. Assistant U.S. Attorney Chris Cardani, Assistant U.S. Attorney Charles Gorder and First Assistant U.S. Attorney Kent Robinson handled the prosecution of the case.

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USAO - Oregon

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